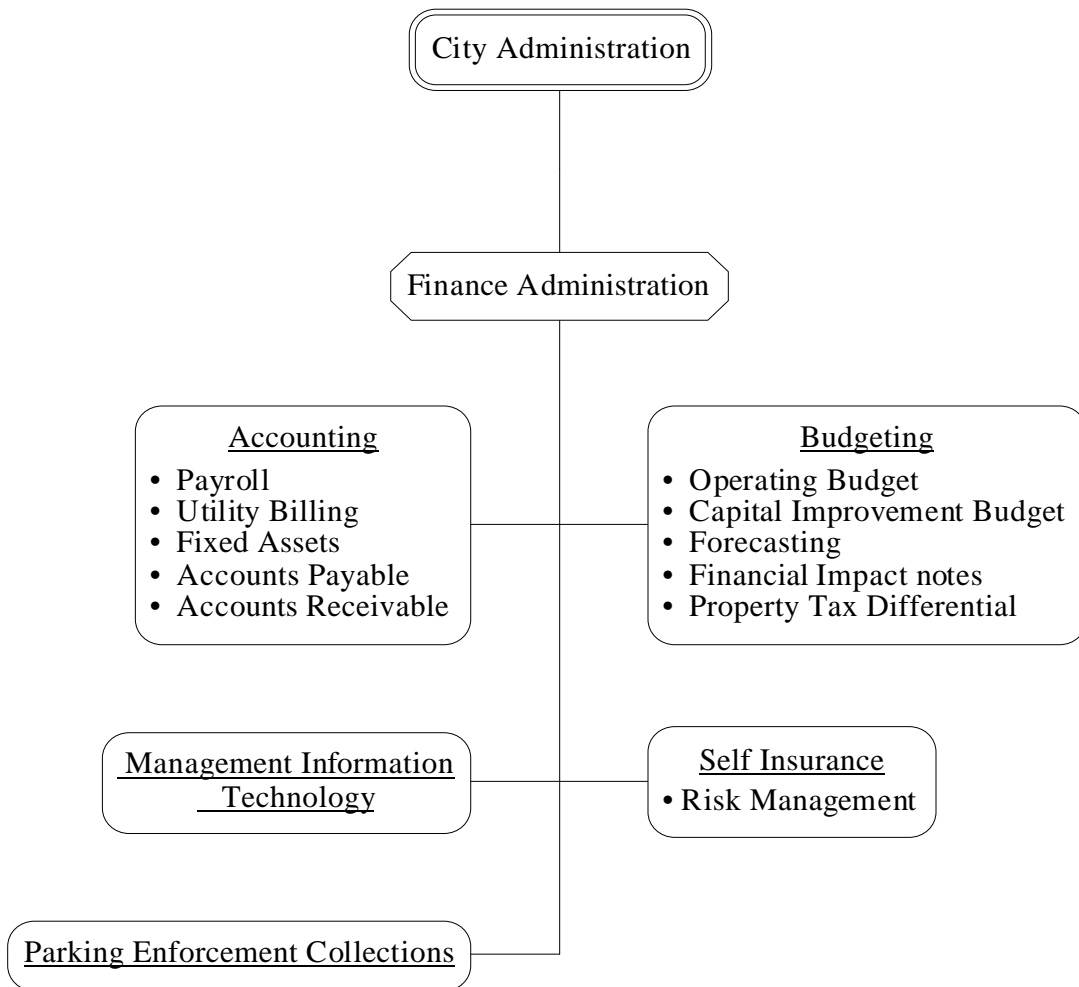


CITY OF ANNAPOLIS
Finance Department



Finance Department

Fund Support:

General Fund

Description:

The Finance Department is responsible for the systems and procedures that assure the sound and efficient functioning of the City's financial activities. The flow of financial activities begins with a plan (budget). The plan is then implemented and the transactions recorded (accounting); and finally, the results are reported (financial statements).

To make this process function smoothly, the Finance Department assists the Mayor in preparing an operating budget and a six-year capital improvements program (the first year of which is the capital budget) before the start of each new fiscal year. As each fiscal year unfolds, these budgets are carefully monitored for the extent to which actual financial transactions vary from the budget.

When the actual financial transactions occur, the Finance Department must see that all monies due the City are collected, and all City liabilities are paid on time. All cash received has to be either immediately disbursed, kept safely on hand, or invested. The Department routinely analyzes the flow of cash in and out of the City accounts for a number of purposes, not the least of which is to know the length of time a given amount of cash can

be invested for short-term operating needs or for longer-term capital needs. When funds are needed that exceed the City's cash reserves, then the Department arranges to borrow them privately or sells bonds in the open market.

The Finance Department also keeps an accurate record of all financial transactions, generates interim financial reports, and produces audited financial statements at the end of each fiscal year. More specifically, it prepares the City's payroll; it bills, collects, and accounts for City taxes, water and sewer fees, residential refuse fees and capital facilities assessments; and it maintains a file of the City government's fixed assets.

Additionally, the Finance Department analyzes non-routine financial situations, undertakes special financial projects and studies, and responds to requests for financial information from other governmental agencies and private enterprises. The Department also administers the City's self-insurance program, and maintains a computer installation that supports most of the functions mentioned above and provides, as well, computerized Management Information Technology services to other City departments.

Goal:

- To continue to maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently.

<i>Budget Summary</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Estimated</i>	<i>FY 2004 Proposed</i>	<i>Percent Change</i>
Accounting and Budgeting	\$1,154,640	\$1,318,560	\$1,322,060	0.27%
Management Information Technology	435,520	513,700	593,620	15.56%
Parking Enforcement Collections	298,940	305,410	307,860	0.80%
Department Total	\$1,889,100	\$2,137,670	\$2,223,540	4.02%

Finance Department Staffing Summary

	<i>FY 2002 Actual</i>		<i>FY 2003 Estimated</i>		<i>FY 2004 Proposed</i>	
	<i>Perm</i>	<i>Temp</i>	<i>Perm</i>	<i>Temp</i>	<i>Perm</i>	<i>Temp</i>
Accounting and Budgeting	19	0	19	0	19	0
Management Information Technology	3	0	4	0	5	0
Parking Enforcement Collections	3	0	3	0	3	0
Department Total	25	0	26	0	27	0

Staffing Summary By Position - FY 2004 Permanent Positions

	<u>Total FTE</u>		<u>Total FTE</u>
<i>Accounting and Budgeting:</i>		<i>Management Information Technology:</i>	
Finance Director	1	MIT Manager	1
Assistant Director for Accounting	1	MIT Analyst	1
Senior Accountant	2	PC Support Specialist	1
Accountant	2	Web Developer	1
Administrative Office Associate	1	Information Systems Analyst	1
Accounting Associate III	5		
Accounting Associate II	3	<i>Self Insurance:</i>	
Accounting Associate I	3	Risk Manager	1
		<i>Parking Enforcement Collections:</i>	
		Office Associate II	1
		Accounting Associate II	1
		Accounting Associate III	1

Accounting and Budgeting Division

Finance Department

General Fund

Description:

This division is responsible for preparing the City operating and capital budgets, monitoring departmental budgets, preparing tax, utility and other bills, paying all invoices, keeping all financial accounts, preparing the payroll, borrowing and investing funds, analyzing budgetary and financial accounts/situations, overseeing the City's internal financial controls, preparing budgetary and financial reports and studies, advising the Mayor and Aldermen regarding financial matters, and managing liability risks.

Services:

- Provides budgetary, accounting and financial support to the Mayor and Aldermen, City departments and committees.
- Assists customers with billing and other financial problems.
- Provides the public with budgetary and financial data.
- Acts as staff for the Finance Committee and the Police and Fire Retirement Plan Commission.
- Responds to requests from non-City persons, agencies and organizations for budgetary, accounting and financial data.

Goals:

- To make accurate projections of the approved operating budget.
- To guide the approved operating budget to a

combined surplus condition at year-end.

- To continue to receive the GFOA Distinguished Budget Presentation Award for Budget documents.
- To monitor financial accounts and assist other departments in providing efficient, cost effective services.
- To continue to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- To strengthen internal financial controls in other departments.
- To provide the data needed for the Mayor and Aldermen to effectively review the prepared operating budget.
- To maintain the level of claims through risk prevention that would allow the Self Insurance Fund to exist without further contributions.

Accomplishments:

- Earned the Certificate of Achievement for Excellence in Financial Reporting for fiscal years 1988 through 2002.
- Earned the GFOA Distinguished Budget Presentation Award for fiscal years FY 1997 through FY 2003.
- Achieved current Bond ratings of Aa2 with Moody's, AA with Standard and Poor's, and AA+ with Fitch.

Accounting and Budgeting Division

- continued -

Performance Indicators:

	<i>FY 2002</i> <u>Actual</u>	<i>FY 2003</i> <u>Estimated</u>	<i>FY 2004</i> <u>Goal</u>
Receipt of GFOA Comprehensive Annual Financial Report award . . .	Yes	Yes	Yes
Receipt of GFOA Distinguished Budget Presentation award	Yes	Yes	Yes
Total number of Risk Management claims	166	120	120
Bond credit ratings - Moody's	Aa2	Aa2	Aa2
Bond credit ratings - Standard and Poor's	AA-	AA	AA
Bond credit ratings - Fitch	AA+	AA+	AA+
Operating budget/CIP revisions processed	214	200	200
Finance Committee meeting agendas/minutes prepared	15	15	15
Payroll checks issued	15,539	15,500	15,500
Accounts payable invoices paid	14,539	15,000	15,000
Journal entry transactions	1,715	1,700	1,700
Operating Funds managed	8	8	8
Utility bills mailed	47,044	48,000	48,000
Cashier over-the-counter transactions	19,013	18,000	18,000
Active water accounts	11,761	12,000	12,000

<i>Budget Summary</i>	<i>FY 2002</i> <i>Actual</i>	<i>FY 2003</i> <i>Estimated</i>	<i>FY 2004</i> <i>Proposed</i>	<i>Percent</i> <i>Change</i>
Personnel	\$1,018,680	\$1,102,310	\$1,115,810	1.22%
Other Operating Expenditures	135,960	206,250	206,250	0.00%
Capital Outlay	0	10,000	0	N/A
Total Expenditures	\$1,154,640	\$1,318,560	\$1,322,060	0.27%

BUDGET REQUEST - OPERATING EXPENDITURES

Description of Expenditures in Operating Expense Accounts (Other than Salary and Capital Outlay) for FY 2004

Department/Division Finance - Accounting & Budgeting Fund and Division # General Operating

1	2	
Account Title/Number	Total in Account	Description of Expenditures
Supplies 6600	\$38,470.00	Postage, Checks, Copier costs, Laser printing supplies, Envelopes, Printing budgets & CAFR, Advertising & legal ads, Cash register & calculator paper, computer paper, Office supplies (pens, pencils, binders, folders, sundry office supplies) & equipment (not considered capital outlay)
Telephone 7210	\$3,200.00	Provides service to Accounting & Budgeting sections of Finance, including a direct line to AA County for access to property and assessment files.
Electricity 7220	\$0.00	
Education and Travel 7310	\$5,320.00	Attendance at MPFOA, MACPA & GFOA meetings for continuing professional requirements, Computer software training, On site hands on training, Professional association dues, GAFFR subscription & updates, Professional publications (Wall Street Journal), Mileage allowance for POV travel in the local area not related to training
Repair and Maintenance 7720	\$5,700.00	Annual mailing contracts for office equipment (mailing system, typewriters & calculators, folder/inserters, check signer, shredder, etc), Alarm system, Parts & non-contract repairs of personal computers and other equipment
Special Projects 7920	\$0.00	
Leases 7930	\$0.00	
Contract Services 7990	\$153,560.00	Grant writing & research assistance, Annual audit costs, Internal control audits, Miscellaneous add-on costs for extra work required during the audits, bank and bond processing fees, MML dues, and other miscellaneous government payments.

Total

\$206,250.00

Management Information Technology

Finance Department

General Fund

Description:

Maintains a central processing computer installation to support the many functions of the Finance Department. Provides Management Information Technology services to all City Departments; these services include networks and microcomputers, software upgrades, and training.

Services:

- Maintains central processing and network hardware, security, operating systems and data communications systems.
- Maintains, enhances and develops many financial integrated computer system applications using the central processing computer.
- Provides Internet and E-Mail services.
- Provides Management Information Technology and local and wide area network services to all City departments.
- Provides for training for various micro-computer applications.
- Provides for microcomputer hardware and software specifications.
- Provides centralized microcomputer hardware and software upgrades, troubleshooting and repair.

Goals:

- Provide a secure information system.
- To maintain central processing and network availability at 98%.
- Assess City information management needs and determine the best means of utilizing automated technology to address those needs.
- Ensure that the City's automated systems are being used to their full potential.

Objectives:

- Reduce current backlog of application change requests.
- Data communication upgrade.
- Monitor and do trend analysis of hardware to predict downtime and avoid unexpected failures.
- Work with the Management Information Technology Committee to develop:
 1. Geographical information system plan;
 2. Three year technology strategic plan;
 3. Imaging of records.

Accomplishments:

- Established E-Mail use policy.
- Upgraded data communication routers.
- Established City-wide records management policy.

Management Information Technology

- continued -

Performance Indicators:

	<i><u>FY 2002</u></i> <i><u>Actual</u></i>	<i><u>FY 2003</u></i> <i><u>Estimated</u></i>	<i><u>FY 2004</u></i> <i><u>Goal</u></i>
Total number of available hours (24 hours/day, 7 days/week, per year = 8,760)	8,665	8,700	8,700
Workstations supported	245	265	265
Windows capable Workstations supported	245	265	265
LAN servers supported	7	10	10
Mainframe applications supported	17	17	17
Custom stand-alone PC applications supported	1	0	0
Employees in Personal Computer training	134	150	150
Service repairs completed in more than one working day (%)	70%	95%	95%
Service repairs completed in one working day (%)	55%	60%	60%
Mainframe hardware downtime (hours)	35	24	24
Mainframe terminals supported	42	50	50

<i>Budget Summary</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Estimated</i>	<i>FY 2004 Proposed</i>	<i>Percent Change</i>
Personnel	\$242,820	\$309,000	\$369,920	19.72%
Other Operating Expenditures	192,700	204,700	223,700	9.28%
Total Expenditures	\$435,520	\$513,700	\$593,620	15.56%

BUDGET REQUEST - OPERATING EXPENDITURES

Description of Expenditures in Operating Expense Accounts (Other than Salary and Capital Outlay) for FY 2004

Department/Division Finance - Mgmt. InformationFund and Division # General Operating

1	2	
Account Title/Number	Total in Account	Description of Expenditures
Supplies 6600	\$8,620.00	Laser printer supplies, Network supplies, Paper, Magnetic tapes, Office supplies
Telephone 7210	\$5,900.00	Data & voice circuits
Electricity 7220	\$0.00	
Education and Travel 7310	\$4,970.00	Off site education & training, Attendance at annual ADMINS users conference, Self instruction courses, Computer based training, Periodicals, Milage allowance
Repair and Maintenance 7720	\$81,300.00	Software maintenance, Hardware maintenance, Other miscellaneous items
Special Projects 7920	\$0.00	
Leases 7930	\$0.00	
Contract Services 7990	\$122,910.00	Micro-computer training contract, Network engineering services, Voice mail, E-Mail, Digital Equipment Corp. disaster site services & disaster insurance, Internet, Hardware & software - other departments

Total \$223,700.00

Parking Enforcement Collections

Finance Department

General Fund

Description:

Collect parking fines and fees and maintain the Residential Parking Program.

Services:

- Provide residential parking permits.
- Provide temporary parking permits.
- Collect prepaid parking fees.
- Collect parking violation fees.

Goals:

- Safeguard municipal receipts.

Objectives:

- Promptly provide temporary and residential permits.
- Accurately report and record all funds received.

Accomplishments:

- Streamlined permit application and citation adjustment process.

<i>Budget Summary</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Estimated</i>	<i>FY 2004 Proposed</i>	<i>Percent Change</i>
Personnel	\$155,190	\$163,410	\$165,860	1.50%
Other Operating Expenditures	143,750	142,000	142,000	0.00%
Total Expenditures	\$298,940	\$305,410	\$307,860	0.80%

BUDGET REQUEST - OPERATING EXPENDITURES

Description of Expenditures in Operating Expense Accounts (Other than Salary and Capital Outlay) for FY 2004

Department/Division Finance - Parking Enforcement Fund and Division # General Operating

1	2	
Account Title/Number	Total in Account	Description of Expenditures
Supplies 6600	\$6,000.00	Postage, Envelopes, Paper, Office supplies, Residential parking program
Telephone 7210		
Electricity 7220		
Education and Travel 7310		
Repair and Maintenance 7720		
Special Projects 7920		
Leases 7930		
Contract Services 7990	\$136,000.00	Parking ticket collection services
Total	<u><u>\$142,000.00</u></u>	